Yomeishu Seizo Co Ltd & Ors v Sinma Medical Products (M) Sdn Bhd

HIGH COURT (KUALA LUMPUR) — SUIT NO D3–22–231–88
VC GEORGE J
31 DECEMBER 1995

Trade Marks *— Infringement of registered trade mark and passing-off — Essential features of registered mark — Whether combination of three kanji characters phonetically sounding as 'Yomeishu' in Japanese a coined or invented word — Trade Marks Act 1976 s 10(1)(c)*

Trade Marks *— Infringement of registered trade mark and passing-off — Trade mark consisted of combination of three kanji characters phonetically sounding as 'Yomeishu' in Japanese — Whether plaintiff could claim exclusive rights over the said combination in respect of its phonetic sound in Mandarin — Whether defendant's registered mark consisting of five kanji characters descriptive of character and quality of wine — Whether description was used in good faith — Trade Marks Act 1976 s 40(1)(b)*

Trade Marks *— Infringement of registered trade mark and passing-off — Whether reputation and goodwill associated with the combination of three kanji characters and in the phonetic pronunciation of it in Mandarin and other major Chinese dialects in Malaysia acquired — Whether any misrepresentation to and confusion among consumers*

Civil Procedure *— National language as language of the court — Proficiency of counsel — Whether English language should be permitted in the interests of justice — Whether right of audience of counsel dependent on proficiency of national language — National Language Act 1963/67 s 8 — Legal Profession Act 1976 s 35(1)*

The first plaintiff was the registered proprietor in Malaysia of the trade mark consisting of: (i) a combination of three kanji characters (養命酒); (ii) the romanized word 'Yomeishu', which is the phonetic sound in Japanese of the three kanji characters; and (iii) the logo that depicts a stylized flying dragon, hilltops, clouds and water, in respect of their product, a herbal medicine wine manufactured in Japan. The first plaintiff claimed that the combination of three kanji characters was coined by an ancestor of the Shiozawa family of Japan in 1602. The second plaintiff had been the first plaintiff's exclusive distributor of the wine in Malaysia from 1975 to 1988, and thereafter, the third plaintiff took over. The wine was promoted among the Chinese community in Malaysia using the combination of the three kanji characters, but pronouncing the word in either Mandarin or the relevant Chinese dialect. The plaintiffs claimed that as a result of extensive promotion, the first plaintiff had by 1980 acquired a substantial reputation in respect of the combination of the three kanji characters in their respective phonetic pronunciation in the Chinese community. The defendant, who was an importer of Chinese patent drugs and medicated wines, imported a medicinal wine with the get-up of a combination of three kanji characters

(養命酒), with the prefix of two kanji characters in smaller print that made up the word 'Chinese'. Thus, the defendant's medical wine could be referred as 'Chinese Yang Ming Jiu' (in Mandarin), or 'Chinese Yomeishu' (in Japanese). The defendant registered its trade mark which only included the translation into English of the first two characters and the transliteration of the three other characters into romanized Mandarin to read 'Chinese Yang Ming Jiu', with a disclaimer that the words were only descriptive of the wine. The plaintiffs sued for infringement and passing-off on the ground that the defendant's trade mark was confusingly similar to that of the first plaintiff's. The defendant defended on the grounds, inter alia, that: (i) the combination of the three kanji characters was not an essential feature of the first plaintiff's trade mark, and in any event, not a coined or invented word in that the combination had a merely descriptive meaning to a class of wine which was commonly marketed; (ii) the description was used in good faith; and (iii) the three kanji characters were not distinctive of the plaintiffs' wine. Language expert witnesses were called by both parties to give evidence. The main issue before the court was whether the plaintiffs could claim exclusive rights over the combination of the three kanji characters (養命酒) in respect of its phonetic sound in Mandarin, which reads 'Yang Ming Jiu'.

Held, allowing the plaintiffs' claim:

(1) Based on the largely unchallenged evidence of extensive promotion and the wide usage of the phonetic sound of the combination of the three kanji characters in the various dialects, the plaintiffs had built among the local Chinese a reputation for their trade mark and get-up as well as for their product in the Chinese pronunciation of the combination including the Mandarin phonetic sound of 'Yang Ming Jiu' (see p 352G–I).

(2) It was clear from the evidence that there was confusion among a significant percentage of the consumers, a confusion arising from phonetic sounds and from the application of different languages (see p 353D–E).

(3) In order to succeed with the defence of 'use in good faith by a person of a description of the character or quality of his goods' under s 40(1)(b) Trade Marks Act 1976, the defendant had to establish that the use of the transliteration of the three characters (to get the romanized 'Yang Ming Jiu') in its trade mark was made in good faith and 'Yang Ming Jiu' was only a description of the character or quality of the defendant's wine (see p 353H); *Baume & Co Ltd v AH Moore Ltd* [1958] 2 All ER 113 and *FH Faulding & Co Ltd v Imperial Chemical Industries of Australia & New Zealand Ltd* (1965) 112 CLR 537 followed.

(4) It was clear from the expert witnesses that 'Yang Ming' might have been used in a descriptive sense some 200 years before the

beginning of the Christian era but that such usage fell into disuse and 'Yang Ming' became obsolete perhaps by about the third century and certainly well before the 17th century so that its reuse in the 17th century to the Shiozawa wine in effect was the coining of a new word, a proper noun, which was the name of the wine (see p 359–B).

(5) The court has to form its own independent judgment based on the totality of the evidence that there had been misrepresentation referred to in some intellectual property cases as 'false representation' which is used in the context does not necessarily have connotations of criminality. The confusion resulting from false misrepresentation can be one of many different kinds of confusion, including confusion as a result of the application of different languages and of phonetic sound (see p 361B–C); *AG Spalding Bros v AW Gamage Ltd* [1914–15] All ER Rep 147 and *JC Eno Ltd v Vishmu Chemical Co* AIR 1940 Bombay 3 followed.

(6) Based on the totality of the evidence, there had been a deliberate choice by the defendant of the name of the plaintiffs' well-known product 'Yomeishu', albeit camouflaged by having it in the Mandarin pronunciation of the combination of the kanji characters. The defendant was guilty of an impudent attempt to pretend its wine was that which it was not (see pp 367I and 368A).

Per curiam:

(1) Pursuant to the proviso of s 8 of the National Language Act 1963/67, the court has discretion to order that the proceedings be conducted partly in the national language and partly in the English language. It is clear from the terms of the proviso that the section is not another device used to promulgate or advance the national language. The most important aspect of the proviso is that it makes it paramount that what has to be considered by the court in the exercise of its discretion is the interests of justice in respect of the proceedings at hand. Accordingly, where the judge or the counsel is not sufficiently proficient in the national language for the purposes of the proceedings at hand, it is wrong for the judge to insist that he and/or counsel should 'try' to carry on the trial wholly or even substantially in the national language. To do so will not be 'in the interests of justice in the proceedings' (see pp 345I, 346B–C and 346H).

(2) Section 35(1) of the Legal Profession Act 1976 vests special rights of audience in the courts on advocates and solicitors duly admitted to practise as such and prohibits any differentiation among advocates and solicitors which will include any differentiation between those proficient in the national language and those not proficient. It follows that if counsel is not sufficiently proficient to have the conduct of the trial solely in the national language, it is improper for the court to insist that counsel does the best he can or that the litigant or his solicitors obtain the

services of counsel proficient in the national language (see pp 346F–G and 346I).

[Bahasa Malaysia summary

Plaintif pertama merupakan tuan punya berdaftar tanda niaga yang terdiri daripada: (i) gabungan tiga huruf kanji (養命酒); (ii) perkataan roman 'Yomeishu', yang merupakan bunyi fonetik dalam bahasa Jepun bagi tiga huruf kanji itu; dan (iii) logo yang menggambarkan naga terbang yang diolah dalam gaya, puncak bukit, awan dan air, berkaitan dengan keluaran mereka, suatu wain ubat herba yang dikilangkan di Jepun. Plaintif pertama menuntut bahawa gabungan tiga huruf kanji tersebut dicipta oleh nenek-moyang keluarga Shiozawa di Jepun pada tahun 1602. Plaintif kedua merupakan pengedar eksklusif wain itu bagi plaintif pertama di Malaysia dari tahun 1975 hingga 1988, dan kemudiannya, plaintif ketiga mengambil alih tempatnya. Wain tersebut dipasarkan di kalangan masyarakat Cina di Malaysia dengan menggunakan gabungan tiga huruf kanji tersebut, tetapi menyebut perkataan tersebut sama ada dalam Mandarin atau loghat Cina yang berkenaan. Plaintif-plaintif menuntut bahawa akibat promosi yang luas, plaintif pertama telah memperolehi reputasi yang begitu kukuh berkaitan dengan gabungan tiga huruf tersebut dalam sebutan fonetik yang berkenaan di kalangan masyarakat Cina semenjak tahun 1980. Defendan, yang merupakan pengimport dadah paten Cina dan wain berubat, telah mengimport satu wain ubat dengan hiasan gabungan tiga huruf kanji (養命酒), dengan awalan dua huruf kanji yang bermakna 'Cina'. Oleh itu, wain defendan boleh digelar sebagai 'Yang Ming Jiu Cina' (dalam bahasa Mandarin) atau 'Yomeishu Cina' (dalam bahasa Jepun). Defendan telah mendaftarkan tanda niaganya yang hanya termasuk penterjemahan dua huruf pertama kepada bahasa Inggeris dan transliterasi tiga huruf lain kepada bahasa Mandarin dalam tulisan rumi, untuk dibaca sebagai 'Yang Ming Jiu Cina', bersama dengan satu penolak tuntutan bahawa perkataan-perkataan tersebut digunakan untuk memerikan wain itu. Plaintif-plaintif telah mendakwa untuk pelanggaran dan kelirupaan atas alasan bahawa tanda niaga defendan mempunyai ciri-ciri yang sama dengan tanda niaga plaintif pertama sehingga mendatangkan kekeliruan. Defendan membela atas alasan, antara lain, bahawa: (i) gabungan tiga huruf kanji tersebut bukan merupakan sifat asas tanda niaga plaintif pertama, dan bukan merupakan suatu perkataan yang dicipta kerana gabungan tersebut hanya mempunyai maksud deskriptif terhadap suatu kelas wain yang biasa dipasarkan; (ii) perihalan tersebut digunakan dengan suci hati; dan (iii) tiga huruf kanji tersebut bukan merupakan ciri-ciri tersendiri wain plaintif. Saksi pakar bahasa telah dipanggil oleh kedua-dua pihak untuk memberi keterangan. Isu utama yang harus dipertimbangkan oleh mahkamah ialah sama ada plaintif boleh menuntut hak eksklusif terhadap gabungan tiga huruf kanji tersebut (養命酒) dalam sebutan fonetik Mandarinnya, yang dibaca sebagai 'Yang Ming Jiu'.

Diputuskan, membenarkan tuntutan plaintif:

(1) Berdasarkan bukti perlangsungan promosi yang luas yang pada keseluruhannya tidak dicabar, dan penggunaan sebutan fonetik gabungan tiga huruf kanji tersebut dalam pelbagai loghat yang meluas, plaintif telah mencipta reputasi untuk tanda niaga dan hiasan dan keluaran mereka di kalangan orang Cina tempatan dalam sebutan gabungan itu dalam bahasa Cina, dan ini termasuk sebutan fonetik Mandarin, iaitu 'Yang Ming Jiu' (lihat ms 352G–I).

(2) Adalah jelas daripada keterangan bahawa terdapat kekeliruan di kalangan sebahagian besar pengguna-pengguna, dan kekeliruan tersebut timbul akibat sebutan-sebutan fonetik dan pemakaian bahasa-bahasa yang berlainan (lihat ms 353D–E).

(3) Supaya pembelaan 'penggunaan suatu deskripsi atau kualiti barang-barang oleh seorang yang suci hati' di bawah s 40(1)(b) Akta Cap Dagangan 1976 berjaya, defendan harus membuktikan bahawa penggunaan transliterasi tiga huruf itu (bagi mendapatkan 'Yang Ming Jiu' yang merupakan tulisan rumi) dalam tanda niaganya dibuat secara suci hati dan 'Yang Ming Jiu' hanya adalah suatu perihalan ciri atau kualiti wain defendan (lihat ms 353H); *Baume & Co Ltd v AH Moore Ltd* [1958] 2 All ER 113 dan *FH Faulding & Co Ltd v Imperial Chemical Industries of Australia & New Zealand Ltd* (1965) 112 CLR 537 diikut.

(4) Adalah jelas daripada keterangan saksi pakar bahawa 'yang ming' mungkin telah digunakan dalam maksud deskriptif kira-kira 200 tahun dahulu sebelum permulaan era Kristian tetapi ianya tidak digunakan lagi dan 'yang ming' tidak lagi digunakan mungkin pada kurun ketiga dan pasti sebelum kurun ke 17, dan oleh yang demikian, penggunaannya semula dalam kurun ke 17 berkaitan dengan wain Shiozawa berkesan mencipta satu perkataan baru, satu kata nama yang sebenarnya, yang merupakan nama wain itu (lihat ms 359A–B).

(5) Mahkamah harus membuat penghakimannya yang bebas berdasarkan keseluruhan bukti yang menunjukkan bahawa terdapat salah nyata yang dirujukkan dalam beberapa kes harta intelektual sebagai 'nyataan palsu' yang digunakan dalam konteks yang tidak semestinya mempunyai konotasi jenayah. Kekeliruan akibat salah nyata palsu boleh merupakan salah satu daripada berbagai-bagai jenis kekeliruan, termasuk kekeliruan akibat pemakaian bahasa dan sebutan fonetik yang berlainan (lihat ms 361A–B); *AG Spalding Bros v AW Gamage Ltd* [1914–15] All ER Rep 147 dan *JC Eno Ltd v Vishmu Chemical Co* AIR 1940 Bombay 3 diikut.

(6) Berdasarkan keseluruhan bukti, defendan telah memilih nama keluaran plaintif yang terkenal iaitu 'Yomeishu' secara sengaja, sungguhpun ia telah menyamarkannya dengan sebutan bahasa Mandarin bagi gabungan huruf kanji itu. Defendan adalah

A bersalah atas cubaan untuk mendakwa wain mereka adalah wain lain (lihat ms 367I–368A).

Per curiam:

(1) Mengikut proviso s 8 Akta Bahasa Kebangsaan 1963/67, B mahkamah mempunyai budi bicara untuk memerintah supaya prosiding dilangsungkan sebahagian dalam bahasa kebangsaan dan sebahagian dalam bahasa Inggeris. Adalah jelas daripada terma proviso bahawa seksyen tersebut bukan merupakan alat untuk menyebarluaskan bahasa kebangsaan. Aspek proviso yang C paling penting ialah ia menekankan bahawa perkara yang paling utama yang harus dipertimbangkan oleh mahkamah dalam melaksanakan budi bicaranya ialah kepentingan keadilan berkenaan dengan prosiding yang sedang berlangsung itu. Ekoran itu, jika hakim atau peguam tidak cukup fasih dalam bahasa kebangsaan untuk tujuan prosiding yang sedang berlangsung D tersebut, adalah salah jika hakim yang berkenaan mendesak supaya beliau dan/atau peguam harus 'cuba' menjalankan perbicaraan dalam bahasa kebangsaan pada keseluruhannya atau sebahagian besar daripadanya. Perbuatan sedemikian bukan 'dalam kepentingan keadilan dalam prosiding' (lihat ms 345I, 346B–C dan 346H).

E (2) Seksyen 35(1) Akta Profesyen Undang-Undang 1976 meletakkan hak istimewa untuk didengar dalam mahkamah kepada peguambela dan peguamcara yang telah dimasukkan sebagai pengamal dan ia melarang sebarang pembezaan antara peguambela dan peguamcara termasuk pembezaan antara yang F fasih dalam bahasa kebangsaan dan mereka yang tidak fasih. Dengan itu, jika seorang peguam yang tidak cukup fasih menjalankan pembicaraan dalam bahasa kebangsaan sahaja, adalah tidak betul jika mahkamah mendesak supaya peguam cuba sedaya-upayanya atau bahawa litigan yang berkenaan atau G peguamcaranya mendapatkan perkhidmatan peguam yang fasih dalam bahasa kebangsaan (lihat ms 346F–G dan 346I).]

[*Editorial Note*: The defendant has appealed to the Court of Appeal vide Civil Appeal No W–02–1–96.]

H **Notes**

For cases on infringement and passing-off, see 12 *Mallal's Digest* (4th Ed) paras 832–865; [1989] Mallal's Digest 1531–1534; [1990] Mallal's Digest 1209; [1991] Mallal's Digest 2004; [1992] Mallal's Digest 1705–1710; [1993] Mallal's Digest 1325–1330; [1994] I Mallal's Digest 2188–2203.

For cases on inherent jurisdiction of the court, see 2 *Mallal's Digest* (4th Ed, 1994 Reissue) paras 2188–2190.

Cases referred to

AG Spalding Bros v AW Gamage Ltd [1914–15] All ER Rep 147
Aristoc Ld v Rysta Ltd [1945] 1 All ER 34
Balaji Chettiar v Hindustan Lever Ltd AIR 1967 MAD 148
Baume & Co Ltd v AH Moore Ltd [1958] 2 All ER 113
Dunlop Pneumatic Tyre Co Ltd v Dunlop Lubricant Co (1898) 16 RPC 12
FH Faulding & Co Ltd v Imperial Chemical Industries of Australia & New Zealand Ltd (1965) 112 CLR 537
Harrods Ltd v R Harrod Ltd (1924) 41 RPC 74
HP Bulmer Ltd & Showerings Ltd v J Bollinger SA & Anor [1976] RPC 97
JC Eno Ltd v Vishnu Chemical Co AIR 1940 Bombay 3
Lloyd's & Dawson Bros v Lloyds, Southampton Ltd (1912) 29 RPC 433
Merchant Banking Co of London v Merchants' Joint Stock Bank (1878) 9 Ch D 560
Moore v Lambeth County Court Registrar (No 2) [1970] 1 All ER 980
Reddaway v Banham [1896] AC 199
R v Bexley Justices, ex p King [1980] RTR 49
The Golden Fan case [1896] 13 RPC 288
Tomlinson v Tomlinson [1980] 1 All ER 593

Legislation referred to

Legal Profession Act 1976 s 35(1)
National Language Act 1963/67 s 8,
Rules of the High Court 1980 O 92 r 4
Trade Marks Act 1976 ss 10(1)(c), 40(1)(b)
Trade Mark Act of 1939 s 8 [UK]
Trade Mark Acts 1905–1948, 1955–1958 s 53A, s 64(1)(b) [Australia]

T Thomas (*Lee Tat Boon, Ambiga Sreenevasan* and *Charmayne Ong* with him) (*Skrine & Co*) for the plaintiffs.
Manjit Singh (*Fiona M Bodipalar* with him) (*Sri Ram & Co*) for the defendant.

VC George J: It is relevant to commence these grounds of decision by referring to some aspects of the background to and highlighting some of the positions taken by each side to the dispute.

I pause to note that in the course of writing this judgment, references will be made to 'kanji' or Chinese 'characters' which are pictographs used in writing both by the Japanese and the Chinese. References will also be made to what are known as Chinese dialects. I will, in due course, endeavour to explain these with reference to the context.

The first plaintiff, a Japanese corporation, is the registered proprietor in Malaysia under the Trade Marks Act 1976 of the trade marks referred

A to in para 3 of the statement of claim in respect of their product, a herbal medicinal wine manufactured in Japan using a secret recipe and sold there as well as in various other countries, including Malaysia, as a tonic. The second plaintiff had been the first plaintiff's exclusive distributor of their medicinal wine in Malaysia from 1975–1988. In 1988, the third plaintiff took over the exclusive distributorship of the first plaintiff's medicinal B wine. The first plaintiff's said trade marks were first registered in Malaysia in 1977 and were at all material times, according to the plaintiffs, subsisting and of full force and effect. The plaintiffs contend that the essential features of each of the said trade marks include what they say is the name given to their wine written by a combination of three kanji characters C (養命酒), the romanized word 'Yomeishu' (which is the phonetic sound in the Japanese language of the said combination of the three kanji characters), their logo that depicts a stylized flying dragon and the stylized depictions of hilltops, clouds and water. The plaintiffs contend that the combination of the said three kanji characters is a coined or invented word within the meaning of s 10(1)(c) of the 1976 Act.

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The plaintiffs also claim that, as a result of the extensive promotion of their product in various parts of the world, and particularly in Malaysia — which promotion in Malaysia was commenced in 1970 and is continuing, and was directed to Chinese members of the Malaysian public and in which promotion the name given to the wine was presented visually by the E said combination of the three characters as such, and audibly in the pronunciation of the combination of the three kanji characters in one or more locally-used Chinese dialects including Mandarin — the first plaintiff had by 1980 acquired such a substantial reputation in respect of the said combination of the three characters; which alleged essential feature of the F plaintiffs' trade marks the Malaysian Chinese consumer had come to so associate with the product of the first plaintiff that the said combination of the three characters in any event has acquired a secondary meaning and has been — at least since 1980 — distinctive of the first plaintiff's product and that thereby they have acquired intellectual property rights in the reputation and goodwill associated with the use of the combination of the G three characters and in the phonetic pronunciation of it in the major Chinese dialects used in Malaysia, including the Mandarin pronunciation of it, which is 'Yang Ming Jiu'.

The defendant is a Malaysian importer and wholesaler of Chinese patent drugs and medicated wines. The defendant's major shareholder (in H effect) and managing director is Mr Low Chee Lik.

In May 1981, the first and second plaintiffs learnt that the defendant was importing a medicinal wine from a mainland Chinese exporter called China National Native Produce and Animal By-Products Import and Export Corporation, Hubei Native Produce branch (hereinafter referred I to as 'CNNP-H') which the defendant put into the Malaysian market. Prominently displayed in the get-up of this Chinese wine is what counsel for the defendant says is a description (and not the name) of the wine

written in Chinese by a combination of five kanji characters, the first two of which to mean 'Chinese' and the last three being the very combination by which the plaintiffs purport to call their wine so that the Chinese medical wine can be said to be 'Chinese Yang Ming Jiu' (using the Mandarin pronunciation for the last three characters) or in Japanese, 'Chinese Yomeishu'. The defendant had registered its trade mark in respect of their wine in Malaysia. The trade mark does not include the said five kanji characters, but includes the translation into English of the first two characters and the transliteration of the other three characters into romanized Mandarin to read 'Chinese Yang Ming Jiu'. There was a disclaimer filed with the registry in respect of these on the alleged basis of the contention that the words are only descriptive of the wine. Whether this contention is true and whether it is bona fide — and further, whether the defendant had, in fact, been using as the name and not merely as a description of its wine — the words 'Chinese Yang Ming Jiu' will be looked into in due course. The registration of the trade mark and the importation and sale of the Chinese product as 'Chinese Yang Ming Jiu' was without the consent of the plaintiffs.

The plaintiffs say that the Chinese wine being marketed as 'Chinese Yang Ming Jiu' amounted to a purloining of the first plaintiff's intellectual property in respect of their wine, and that accordingly, they were entitled to raise objections on the basis that they had entered into negotiations with CNNP-H in China which had led to an agreement with CNNP-H being arrived at on or about 6 October 1983 whereby CNNP-H agreed to cease the supply of their medicinal wine to the defendant. The plaintiffs also say that at about the same time, an oral arrangement was arrived at between the second plaintiff (through its managing director Mr Chiang Jwee Min) and the defendant (acting through its managing director Mr Low Chee Lik), whereby it was agreed that the defendant would cease to import into or sell in Malaysia anymore of the Chinese wine. However, it was — according to the plaintiffs — also agreed that the defendant was allowed to continue to sell and exhaust its existing stock in Malaysia of 'Chinese Yang Ming Jiu'.

The plaintiffs say that they had thereafter continued to monitor the Malaysian market and were under the impression that the defendant was adhering to the terms of the said arrangement until about June 1988, when they say that they learnt that the defendant had resumed the importation into Malaysia of a Chinese medicinal wine which it marketed as 'Chinese Yang Ming Jiu' using their said trade mark which included the romanized words 'Chinese Yang Ming Jiu'. Investigations revealed that the source of this wine was not CNNP-H but some other Chinese source, also from Hubei Province in mainland China, which could be a subsidiary or related company to CNNP-H but nothing of real significance turns on that.

The plaintiffs took the view that the defendant marketing the new Chinese product as 'Chinese Yang Ming Jiu' was in breach of the arrangement that had been arrived at, as well as an infringement of the first

plaintiff's said trade mark; as well as a passing-off of this new product as the medicinal wine of the plaintiffs' and that accordingly they are entitled, inter alia, to have the defendant restrained by order of court from such infringement of their trade mark and from such passing-off.

The law on the protection of a trader's reputation in goods is succinctly stated in the oft-quoted passage from the judgment of Buckley LJ in *HP Bulmer Ltd & Showerings Ltd v J Bollinger SA & Anor* [1976] RPC 79 (CA) at p 93:

> A man who engages in commercial activities may acquire a valuable reputation in respect of the goods in which he deals, or of the services which he performs, or of his business as an entity. The law regards such a reputation as an incorporeal piece of property, the integrity of which the owner is entitled to protect. This does not, of course, mean that he is entitled to protection against legitimate competition in the market. If A's goods have acquired a reputation on the market connected with a particular name, mark or get-up, A cannot complain if the value of that reputation is depreciated by B coming on to the market with similar goods which acquire a reputation which owes nothing to the name, mark or get-up associated with A's goods. A can, however, complain if B in the course of his operations uses in connection with his goods the name, mark or get-up associated with A's goods or one so closely resembling it as to be likely to lead to confusion on the market between the goods of A and those of B. By so doing B wrongfully appropriates to himself part of the reputation belonging to A and so infringes the integrity of A's property in that reputation.

The defendant, as has been seen, uses prominently as part of its get-up in respect of its wine the said combination of the three kanji characters (Yang Ming Jiu or Yomeishu) albeit with the prefix of the two kanji characters (in smaller print) that make up the word 'Chinese'. And it also use in its trade mark the transliteration of the words in romanized Mandarin, ie the phonetic sound of the said combination of the three kanji characters in romanized Mandarin with the prefix 'Chinese' so as to obtain the romanized 'Chinese Yang Ming Jiu'. The plaintiffs complain that the romanized transliteration of the five characters in the trade mark registered by the defendant causes its trade mark to be confusingly similar to that of the first plaintiff's trade marks, in that it contains an essential feature of the latter, namely, the romanized sound in Mandarin of the said combination of the three kanji characters, and that accordingly, apart from the injunctive relief they seek, they are entitled to have the romanized words 'Chinese Yang Ming Jiu', as included in the defendant's trade mark, expunged.

The defendant, in its statement of defence, takes issue with the various allegations and contentions made by the plaintiffs and in particular, contend that the combination of the three kanji characters is not an essential feature of the first plaintiff's trade marks and that in any event it is not, and cannot be, a coined or invented word in that the combination has a merely descriptive meaning and has reference, as they put it, to a class of wines that had been long consumed and commonly marketed in Malaysia and other parts of the world.

The defendant also denies the contention by the plaintiffs that in any event the said combination of the three characters had acquired the secondary meaning of being distinctive of the plaintiffs' medicinal wine. The defendant denies the plaintiffs' contention that the general (Malaysian) public has come to associate the combination with the plaintiffs or the plaintiffs' product. The defendant purports to explain that the five kanji characters romanized into the Mandarin phonetic sound 'Chinese Yang Ming Jiu' is the descriptive name of its medicinal wine which bears the trade mark 'Huang He Lou brand'. 'Chinese Yang Ming Jiu', it contends, merely describes the product as being a 'Chinese life-strengthening wine'. The defendant contends that accordingly, the plaintiffs are not entitled to claim common law proprietary rights and/or exclusive rights over the said combination or in respect of its phonetic sound in Mandarin (ie Yang Ming Jiu) when it is used in relation to, or in conjunction with, medicinal wines including the medicinal wine marketed by the defendant as 'Chinese Yang Ming Jiu'. The defendant goes on to elaborate that the combination of the three kanji characters — pronounced, as has been seen, 'Yomeishu' in Japanese and 'Yang Ming Jiu' in Mandarin — has a descriptive usage both in Japanese and in Chinese meaning 'life-strengthening wine' in the former and 'life-preserving wine' in the latter and the defendant contends that in registering their trade marks in Malaysia and elsewhere, the plaintiffs have misrepresented to the relevant Trade Mark Registries that the combination has no meaning and accordingly can be a coined or invented word. The defendant contends that had the Malaysian Registry been aware of the descriptive meaning of the combination, the plaintiffs would not have been able to obtain registration of the said combination or its transliteration as part of their marks. The defendant seeks, by counterclaim, a rectification of the Register of Trade Marks by the cancellation from the first plaintiff's trade marks the combination of kanji characters and its romanized rendition or by the entry of a disclaimer to the extent and effect that the first plaintiff is not entitled to exclusive rights over the use of the combination of the three kanji characters or its romanized rendition (whether in Japanese or in one or the other of the Chinese dialects) in connection or in conjunction with its medicinal wine.

The defendant says that in any event, as the plaintiffs had since 1981 known that the defendant had been marketing their product as 'Chinese Yang Ming Jiu' and had not objected to the defendant doing so until 1988, their laches makes such objection ineffective, and because of that the plaintiffs are in any event precluded from being granted the injunctions they now seek. It is with reference to this contention that the plaintiffs rely on the alleged agreement or arrangement said to have been arrived at in 1981 wherein it is alleged that it was agreed that the defendant would cease to import and sell the Chinese wine save such stocks of it already in Malaysia. Mr Low Chee Lik concedes that there was a meeting between him and the second plaintiff's Mr Chiang but denies that any agreement or arrangement as alleged or at all was arrived at.

The defendant points out that its trade mark consists of the picture of a pagoda with certain words in kanji characters and the romanized transliteration of those characters, viz: 'Huang He Lou Brand' and the romanized words 'Chinese Yang Ming Jiu' used, according to the defendant, merely to describe its wine. The defendant contends that the said combination of the three kanji characters with the prefix of two Chinese characters that together read 'Chinese Yang Ming Jiu', though displayed albeit prominently on the get-up of their product is not part of their trade mark as registered.

Before proceeding further to get to grips with the main issues in this action, it is relevant to deal with certain subsidiary but important matters pertaining to procedure and the conduct of the trial that arose at the beginning or in the course of the trial. Counsel on both sides of the Bar were of the view, as I was, that the interests of justice in these proceedings called for it to be conducted substantially, if not wholly, in the English language. However, the law is that the language of the courts is the national language.

The old s 8 of the National Language Act 1963/67 had provided that the language of the court shall be the national language or the English language or partly in the national language and partly in the English language, with a discretion given to the court to have the whole proceedings (other than the giving of evidence by a witness) in one or the other of the two languages.

In March 1990, the anticipated amendment to s 8 was effected resulting in the language of the courts being the national language.

It can be asserted without fear of contradiction that the amendment recognized that which the court can take judicial notice of, inter alia, that for some 20 years past the national language has been the medium of the instruction in our national schools, that it has been the language of government for well over 20 years and in the context more importantly, that it has become the de facto common language of the peoples of Malaysia.

However, Parliament, at the instance of the executive, had included a proviso of great importance to the new s 8. For ease of reference, the new s 8 with the proviso is reproduced:

> 8 All proceedings (other than the giving of evidence by a witness) in the Supreme Court, the High Court or any Subordinate Court shall be in the national language.
>
> Provided that the Court may either of its own motion or on the application of any party to any proceedings and after considering the interests of justice in those proceedings, order that the proceedings (other than the giving of evidence by a witness) shall be partly in the national language and partly in the English language.

The proviso gives the court a discretionary power which, as is the case in all discretionary powers given to the court, should be exercised not at the whims and fancies of the judge but judicially, which implies that all

relevant facts and the circumstances of the case must be weighed and considered by the judge in the exercise of his discretion. The importance to the interests of the justice of the proceedings is highlighted by the provision in the proviso that even if neither party to the action applies to have the proviso invoked, the court on its own motion may invoke it and direct that the proceedings be conducted partly in the English language.

Contrary to what appears to be the understanding in certain quarters, the terms of the proviso make it clear that the new s 8 is not another device used to promulgate or advance the national language. It is patent that the most important aspect of the proviso is that it makes it paramount that what has to be considered by the court in the exercise of its discretion vis-à-vis the proviso is the interests of justice, not generally but in respect of the proceedings at hand.

The object of making the language of the courts the national language not being the advancement or promulgation of that language, it is improper for judges to take it upon themselves to apply the section to promulgate the language at the expense of the interests of the justice of the proceeding. The judges, particularly those of the superior courts, have to realize that which Parliament and the executive have obviously realized, that most of the senior judges had most if not all their secondary and tertiary education with English as the medium of education as is certainly the case with many of the senior members of the Bar who appear as of right in the courts and that as a result, the proficiency of both counsel and/or the judges in the use of the national language as the sole language of the court could in many cases be suspect, particularly in matters pertaining to, inter alia, all aspects of mercantile law including banking and shipping and in respect of disputes that involve intellectual property law and so on.

Now, s 35(1) of the Legal Profession Act 1976, which for ease of reference is reproduced here, vests special rights of audience in the courts on advocates and solicitors duly admitted to practise as such and prohibits any differentiation among advocates and solicitors:

> 35(1) Any advocate and solicitor shall, subject to this Act and any other written law, have the exclusive right to appear and plead in all Courts of Justice in Malaysia according to the law in force in those Courts; and as between themselves shall have the same rights and privileges without differentiation.

And so, where the judge or one or the other of counsel is not sufficiently proficient in the national language for the purposes of the proceedings at hand, it is wrong for the judge to insist that he and/or counsel should 'try' to carry on the trial wholly or even substantially in the national language. To do so will not be 'in the interests of justice in the proceedings'. And in my judgment, where counsel is not sufficiently proficient to have the conduct of the trial solely in the national language, it is equally improper for the court to insist that counsel does the best he can or that the litigant or his solicitors obtain the services of counsel proficient in the national language because litigants are entitled to choose as counsel any member of

A the Bar who has a current practising certificate; and s 35(1) prohibits any differentiation between advocate and solicitor which will include any differentiation between those proficient in the national language and those not proficient. Consistent with s 35(1), the law allows practising certificates to be issued to a qualified person which term does not necessarily include those so proficient in the national language that they could manage the B conduct of all cases in the national language. The Legal Profession Act 1976 does not bar lawyers not proficient in the national language from practising at the Bar and/or from appearing in the courts. The proviso to s 8 of the National Language Act has to be read in conjunction with the provisions of the Legal Profession Act 1976 and it is the duty of the courts C to respect both of those statutes and to give effect both to the letter and the spirit of the provisions of both the statutes.

Accordingly, applying not just the letter of the law but its spirit as well, including the provision that the court may on its own motion invoke the proviso to s 8 of the National Language Act, I allowed the proceedings D to be conducted substantially in the English language.

Another matter of less importance but which appeared to have troubled counsel was the taking of the evidence of witnesses in the Japanese language in the absence of official court interpreters with the relevant qualification.

The court has always had an inherent jurisdiction to regulate its own E proceedings. Order 92 r 4 of the Rules of the High Court 1980 recognizes this to be the position. However, that is not to mean that the judge may ignore express rules of court and make his own rules of practice and procedure inconsistent with written rules and time-honoured practices. There is no doubt that from time to time, established rules and practices become outdated. For instance, there are rules and practices that make for F extended trials. Some of these rules and practices could perhaps be done away with or at least streamlined. New rules could be brought in. However, it is not open to individual judges or even for the conference of judges to take it upon himself or itself to do away with or streamline or adopt innovative procedures. However well-intentioned, that sort of thing, if G permitted, could lead to a form of anarchy! If changes are called for, what has to be done is to have the rules committee — the members of which are carefully selected from the Bench and from members of the Bar and includes the Attorney General or his representative and which is headed by none other than the Chief Justice — give due consideration to the new ideas and have the rules duly amended. And until such amendments are H effected, the old rules and practices cannot be ignored and new procedures may not be implemented. However, where there is a lacuna in the rules and practice, then and only then, may the aforesaid inherent jurisdiction be invoked.

Neither counsel nor I could find any provision in the Rules of the I High Court with reference to the appointing of a non-court official to act as an interpreter. The parties, at their own expense, had brought in a Japanese national who counsel on both sides of the Bar had agreed was

competent to act as a Japanese/English interpreter. Particularly, as I was satisfied from my own experience both at the Bar and on the Bench that there is a practice of swearing-in an interpreter to assist the court, I gave a consent order appointing that person as a Japanese interpreter for the duration of the trial and vested her with 'all the powers, privileges, obligations and duties of court interpreters permanently employed in the court'.

Yet another matter that came for consideration as a prelude to the trial proper was the issue of whether the expert witnesses that the parties intend to call as witnesses could be allowed to remain in court to listen to the testimony of other witnesses. Tristram Hodgkinson in his book, *Expert Evidence: Law & Practice*, cited *Tomlinson v Tomlinson* [1980] 1 WLR 322 at p 327, *R v Bexley Justices ex p King* [1980] RTR 49 and *Moore v Lambeth County Court Registrar* [1970] 1 All ER 980 to state what the attitude of the courts in England is, which accords with the practice in our courts:

> Experts, unlike lay witnesses, may in all cases sit in court to hear the evidence of other witnesses before they have themselves given evidence. The view has been expressed that this is a matter for the court's discretion. While undoubtedly the court may regulate its own proceedings, and may exclude any person from the court, this discretion should perhaps only be exercised in the most exceptional circumstances in the case of experts.

I directed that the expert witnesses — recognized as such by the court — to be called by either side to the dispute, may remain in court while other witnesses including witnesses of fact were testifying.

Now, having attempted to set out the salient aspects of the contentions and positions taken by both sides to this dispute and having disposed of the aforesaid preliminary matters, I should move on to the year 1923 AD; but before doing so, I will deal with the crucial issue of whether the said combination of the three kanji characters — pronounced 'Yomeishu' in Japanese and 'Yang Ming Jiu' in Mandarin — is an essential feature of the first plaintiff's trade marks registered in Malaysia and used in relation to their wine.

The display of the trade mark of the plaintiffs in the get-up of their wine, both in respect of the bottle and the cardboard box in which the bottle is displayed and sold, is clearly designed to and does draw particular attention to the said combination of the three kanji characters. That, in my judgment, is the reaction to a visual inspection of the box and of the bottle. Additional attention is drawn, and emphasis is provided, to the three kanji characters by having it displayed blown up in white against a red background as the prominent feature of one of the four vertical faces of the box. In my judgment, the combination of the said three kanji characters is designed to be, and is, effectively presented as an essential feature of the first plaintiff's said trade marks and also of the get-up of the product; as is, for that matter, the romanized word 'Yomeishu'.

A In 1923, when one Tenryukan Shiozawa was the head of the Shiozawa family of Minakata Village in the Ina Valley in the 'Japanese Alps' in the administrative district known as Nagano Prefecture in Japan, a corporation called Tenryukan Inc was incorporated in Japan to 'corporatize' the business of the family Shiozawa, the business of the production and the sale of a medicinal wine made from a secret recipe which business had been carried B on as a sort of cottage industry for a few generations prior to 1923 by the Shiozawa family in the Ina Valley.

The plaintiffs say that this medicinal wine had been named 'Yomeishu' in 1602 by an ancestor of the Shiozawa family called Sokan. 'Yomeishu' is, as has been seen, the phonetic sound in the Japanese language of the C combination of the three kanji characters (養命酒) placed in that order and read from left to right, which combination was included as a feature of some of the first plaintiff's trade marks including the ones the subject of this action contended to be one of the essential features of the first plaintiff's Malaysian trade marks and found by me to be so. The phonetic D sound was not written in the romanized form until the 19th century. In 1951, the company changed its name to Yomeishu Seizo Co Ltd in which name it sues as the first plaintiff in this action. The links or connection of the company with the Shiozawa family continued and continues to obtain. The current president of the company is a member of the family.

There is a story or legend which has been carried down from generation E to generation in the Shiozawa family that their ancestor Sokan Shiozawa had, at or about the turn of the 16th century, provided succour to a stranger who was found wandering lost in the remote wilderness that the Ina Valley must have been in those days who repaid the kindness of Sokan by divulging to him the secret recipe for making a special herbal medicinal F wine. Sokan mastered the art of brewing the required herbs and making the wine and went into the business of producing and marketing it as a tonic. The story has it that it was Sokan who had named the wine 'Yomeishu' and it was marketed in and around the Ina Valley as 'Yomeishu' coining the name or inventing it by combining three well-known kanji characters. The romanized version of the combination of the three Kanji G characters, ie 'Yomeishu', was first used in relation to the product in 1880 in the Japanese market.

The company, Tenryukan Inc, first exported its Yomeishu wine in 1932. By 1980, it was being exported worldwide including to the USA, Canada, Paraguay, South Africa, Nigeria, China, Taiwan, Germany and H many other European countries and all over South East Asia. Evidence on this was unchallenged as was the evidence that a substantial percentage of the profits of the company was utilized to promote the product worldwide.

In Malaysia, the product has been sold and promoted since 1969 not only using the trade mark of the first plaintiff in respect of the product I which, as has been seen, consists of the said combination of the three kanji characters, the romanized phonetic sound of the combination in the Japanese language, ie 'Yomeishu', a logo that consists of a stylized flying dragon and

a stylized depiction of hilltops, clouds and water but also using the pronunciation of the combination in the various Chinese dialects. A

The plaintiffs have provided evidence to the effect that the total sales in Malaysia of the first plaintiff's product from 1969 to 1992 is valued at some RM34,647,761.68. The amount spent in continuously promoting the product in Malaysia from 1970 to 1992 came to some RM7,910,975.60 which is well over 20% of the turnover which confirms that the product was promoted in Malaysia in a big way. B

Now, the unchallenged evidence is that well over 90% of the consumers who purchase the first plaintiff's product in Malaysia are Chinese. Evidence was lead to the effect that the wine was sold and promoted for sale to the Malaysian Chinese consumers with the product being referred to by pronouncing the said combination of the three characters in the dialects commonly used by the Chinese in Malaysia, namely Mandarin, Cantonese, Hokkien and Hakka, the romanized transliteration of the relevant phonetic sounds in the said dialects being 'Yang Ming Jiu', 'Yang Meng Chow', 'Yeoh Miah Chiew' and 'Yang Miang Chiew' respectively. C D

I pause to note that it is common ground that the Chinese language is written, not with the use of alphabets, but by pictographs or characters known as kanji, each kanji character being a complete picture in itself, each 'picture' having one or more meanings. Words are depicted by individual kanji characters or a combination of kanji characters. E

Now, vis-à-vis the Chinese language, China can be said to be divided into a number of regions each having its own dialect. Some of the better known dialects are Mandarin, Hokkien, Hakka, Cantonese, Teo Chiew and Hainanese. These dialects are so different from each other that a person with one dialect may not understand another speaking in a different dialect. However, whatever the dialect, the Chinese have only the one written script. All the dialects use the same written script, but the kanji characters in which the 'writing' is effected is pronounced in the dialect in which it is read. So, while a Cantonese-speaking Chinese person may not effectively have speech with a Hakka-speaking Chinese person, he could communicate with him by writing what he wants to say in the Chinese script. The Cantonese will read the writing in Cantonese and the Hakka in the Hakka dialect. F G

There was unchallenged evidence that the Chinese script, the kanji characters, was imported into Japan from China in the fourth or fifth century BC and was adapted by the Japanese as their written script. What the Japanese write in kanji was pronounced in the Japanese language. In the event, just as two Chinese — each having a different dialect and so cannot effectively communicate with each other by speech — can communicate with each other by writing to each other, so can a Japanese who does not speak nor understand any Chinese dialect communicate with a Chinese who has no knowledge of the Japanese language by writing what he wants to say. H I

A And so, to the different versions of the pronunciation of the said combination, ie in the different Chinese dialects can be added the Japanese pronunciation of the combination, which in its romanized form, as has been seen, is 'Yomeishu'.

It follows that I have to agree with the learned Senior for the plaintiffs, B Mr T Thomas, that it makes for commercial sense for the Japanese to promote their product among the Chinese using the combination of the three characters but pronouncing the word in the relevant Chinese dialect. Mdm Lee, who had been the plaintiffs' sales supervisor in the field, testified that that is what the plaintiffs did in the Malaysian market:

C I was employed by the second plaintiff from 1972 as a salesgirl, promoted to supervisor in 1974. In 1985, I ceased working for them. I was selling Yang Ming Jiu.

I see P11. It is the packaging used to sell the Yang Ming Jiu.

My duty as a salesgirl was to go from house to house to promote the D sales of Yang Ming Jiu. I carried the three bottles in a basket with me.

I told the customer that I came here to promote Yang Ming Jiu. Then samples of the product was given to the customer to taste. I brought along a small cup. I would pour a little of the product into the cup for the customer to taste. I speak Mandarin and four other Chinese dialects — Cantonese, Hokkien, Hakka and Teochiew. Normally, I use Mandarin to E promote the product. If the customer does not speak Mandarin, I use the customer's dialect.

I do not speak in English or Malay to my customers. 100% of our customers were Chinese.

F Q: What do you call the product when you talk to your customers?

A: In Mandarin, 'Yang Ming Jiu'. In Cantonese, 'Yang Meng Chow'; Hokkien, 'Yong Miau Chiew'; Hakka, 'Yang Meng Chiew' and Teochew, 'Yong Mian Chiew'.

Q: Why do you call it in that manner?

A: Because we are promoting 'Yang Ming Jiu'.

G Q: Why 'Yang Ming Jiu'?

A: Because the three kanji characters read 'Yang Ming Jiu' in Mandarin and in the other dialects as I have said earlier.

As a salesgirl, I covered the whole of West Malaysia. As supervisor, I took the salesgirls outstation.

H I did not go from door to door. I drove a van around the area to supervise the salesgirls.

I see Red IB pp 80, 81 and 82. It shows pictures of the kind of van I used. Yes, I drove the van with the salesgirls.

Q: What dialects were used in the different parts of the country?

I A: In Penang, Hokkien. In Ipoh, Cantonese. In Johore, Mandarin, Hokkien or Teochew. East Coast, Cantonese or Mandarin.

Normally, we stay three or four weeks in Penang, one to two weeks in Ipoh, one month in Johore, two weeks in the East Coast.

What we used to do was to go to a state, then come back to the office for two weeks before going to another state. Yes, we go back to the same area again and again. The salesgirls wore red skirts with black collars.

On these trips we managed to sell the product. We have the product kept in a store in the hotel. In Penang, we used to sell six to seven cartons (12 in a carton) per day. I used six salesgirls. Ipoh — four to five cartons per day.

The salesgirls used the various dialects and called the product as I have said it's called.

In cross-examination by Mr Manjit Singh, leading counsel for the defendant, she said:

Q: The product is called 'Yomeishu'.

A: We normally refer to the product in Mandarin as 'Yang Ming Jiu'.

Q: Were you asked by your company to refer it as 'Yang Ming Jiu'?

A: We pronounced the three characters on the package as 'Yang Ming Jiu'.

Q: Are you aware of the defendant' product, 'Chinese Yang Ming Jiu'?

A: Yes, I've heard about it.

Q: As to your product, did you call it 'Japanese Yang Ming Jiu'?

A: I only called it as 'Yang Ming Jiu'.

Q: You never called it 'Yomeishu'.

A: Yes, I know it's 'Yomeishu' but we never called it 'Yomeishu'.

The plaintiffs' contention, well borne by the evidence including the testimony of Mdm Lee and Chiang ('PW4'), is that by 1981 their product had in Malaysia some 11 years of active promotion; promoting it not only by the trade mark but by the use of the phonetic sound of the combination of characters in the various Chinese dialects as well. A large volume of documentary evidence was produced — largely unchallenged — of door-to-door promotions, of advertisements in newspapers, on television, in the cinemas and in radio, of promotional dinners and other functions where the public (largely, if not solely, of the Chinese race) were introduced to the product referred to by the combination of the three kanji characters and the phonetic sound of them pronounced not in Japanese but in one or more of the Chinese dialects. I think that with that kind of continuous promotion, to the tune of almost RM8m albeit in some 20 years, there can be no doubt that by 1981 the plaintiffs must have built up among the local Chinese a reputation for their trade mark and for their get-up as well as for their product in the Chinese pronunciation of the combination including the Mandarin phonetic sound of the combination, ie 'Yang Ming Jiu'.

In January 1993, the plaintiffs can be said to have put this contention to a successful test. On 11 January 1993, the third plaintiff conducted a

radio campaign over the Chinese networks of Radio Malaysia. The promotion was conducted in three Chinese dialects: Mandarin, Cantonese and Hokkien. The product of the plaintiffs was referred to the listeners using the phonetic sound for the product in each of the said three dialects. The listeners were told that the first 100 listeners who brought in to the third plaintiff an empty bottle or box of the medicinal wine 'Yang Ming Jiu', 'Yong Meng Chow' or 'Yeoh Miah Chiew' — ie using the phonetic pronunciation of the combination in Mandarin, Cantonese and Hokkien respectively — could exchange it for a free bottle of the product. 121 listeners, all Chinese, responded to the promotion and turned up on the first day of the promotion, 110 with empty Yomeishu boxes or bottles, and 10 with the defendant' product. One person brought in an empty bottle of the plaintiffs' product and one of the defendant' product. Clearly, this test clinched the case for the plaintiffs that a substantial and significant majority of Malaysian Chinese consumers related to the product of the first plaintiffs with the sound of the combination of the three characters in the Chinese dialects including in Mandarin, 'Yang Ming Jiu'. It was clearly seen that there was confusion among a significant percentage of the consumers, a confusion arising from what has been referred to by judges in earlier cases in other jurisdictions as confusion arising from phonetic sounds and from the application of different languages. The defendant appears to take the stand that that did not matter so long as it did not call its product in the Japanese rendering of the three kanji combination. I will come to that shortly.

For the defendant, it is in effect also contended that even if the court finds (as it has) that the plaintiffs have produced sufficient evidence to establish reputation in Malaysia where, in the context, it counts, ie in the Chinese community, that takes the plaintiffs nowhere on trade mark infringement, because the combination of the three kanji characters is not an invented or coined word but is descriptive of a class of medicinal wine into which class of wines falls both the first plaintiff's product as well as the defendant' product. It relies on s 40(1)(b) of the Act that 'the use in good faith by a person of a description of the character or quality of his goods' does not constitute an infringement of a trade mark.

In order to succeed with this defence, the defendant has to establish that the use of the transliteration of the three characters (to get the romanized 'Yang Ming Jiu') in its trade mark was made in good faith and 'Yang Ming Jiu' is only a description of the character or quality of the defendant's wine.

Our s 40(1)(b) is in pari materia with s 8 of the English Trade Mark Act of 1939 and s 53A and s 64(1)(b) of the 1905–1948 and 1955–1958 Trade Mark Acts of Australia respectively.

In *Baume & Co Ltd v AH Moore Ltd* [1958] RPC 226 at p 230, Danckwerts J laid down this test for good faith in a case where the trader had used his own name that closely resembled the name on which the

plaintiffs had built up a reputation, holding that even though he was using his own name to promote his goods he would only be entitled to do so if it was 'the honest use by a person of his own name without any intention to make use of the goodwill which has been acquired by another trader'. A

The defendant should be subjected to a similar test: was the use of the defendant of 'Yang Ming Jiu' an honest use of those words in selling its wine without any intention to make use of the goodwill which had been acquired by the plaintiffs? B

Before delving further into this aspect of the matter, it is relevant to consider the second element of a s 40(1)(b) defence which is the contention that 'Yang Ming Jiu' is, after all, only a description of the character or quality of the wine. McTiernan J, in *FH Faulding & Co Ltd v Imperial Chemical Industries of Australia & New Zealand Ltd* (1965) 112 CLR 537 at p 543, said: C

> What this provision (s 64(i) of the later Australian Act) protects is the use of a mark that is genuinely descriptive of the character or quality of goods in connexion with which it is used, where the use is purely for the purposes of description. D

Again, the emphasis is on good faith, honesty, the bona fide use of what is genuinely descriptive of the goods and used purely for the purposes of description.

To support their contention that the combination of the three kanji characters is an invented or coined word and can be and is used as a proper noun, the plaintiffs had called three expert witnesses, Prof Tan Ooi Chee a Chinese scholar from Malaysia; Prof Teng Ying from China who has scholarship both in Chinese and Japanese and Prof Goro Aoki who considered the issue from the Japanese viewpoint. E F

The defendant called Prof Loo Shaw Chang from Singapore to support its contention that the combination is not an invented or coined word.

It is common ground that each of the three characters phonetically rendered in Japanese — 'yo', 'mei' and 'shu' respectively — and 'yang', 'ming' and 'jiu' in Mandarin — have been in existence well before 200 BC. Each of the pictographs had and has its own meaning. The last of the three characters, pronounced 'shu' in Japanese and 'jiu' in Mandarin, means in both languages 'wine' or 'alcoholic beverage' that is also accepted by both sides to the dispute. G H

Now, both the Japanese language and the Chinese language have been developed by the coining or inventing of words. The written aspect of this could be by the creation of a new pictograph or by the combining of known kanji characters.

The thrust of the reports by, and testimony of, the plaintiffs' experts is that the combination 'yang ming' appears as a word in a 200 BC I

A Chinese publication called the Shinno and that the combination could not be found in any other literary publication ancient or modern other than as quotations from the Shinno and after 1602 in certain documents related to the Shiozawa family as the name of Sokan's wine. The experts made a comprehensive study of some 100 Japanese dictionaries and Chinese B dictionaries, modern and ancient including classical Chinese-Japanese dictionaries. They found individual entries of each of the three characters in all the dictionaries. They could not find any entry of the combination of the three characters. The combination of the two characters 'yang ming' or 'yo mei' is totally missing from all the dictionaries, modern and ancient, save in four. However, each of the entries of the two character combination C in those four dictionaries is not set out as a word in common use, but as having been used as a combination in the ancient Shinno. The experts were appraised of the Sokan Shiozawa legend and the alleged coining of the three kanji combination and in that context, they have examined books and literature pertaining to the Shiozawa family and to the village of D Minakata where the family had its seat.

As a result of their studies, it was submitted by the plaintiffs' experts as their considered opinion that a reasonable conclusion to arrive at from the fact that neither the combination of 'yang ming' nor 'yang ming jiu' appear in the dictionaries, other than the four out of 100 studied which has the 'yang ming' or 'yomei' entry E — and then only as a quotation from the ancient Shinno — that there never was a combination 'yang ming jiu' until it was coined in respect of the Shiozawa wine as a name for the wine and that the combination 'yang ming' as a word was in use at the time of and in the Shinno but that the use of the combination fell into disuse — the word had become obsolete even in ancient times.

F Prof Teng had an acceptable theory as to why the combination 'yang ming' eventually ceased to be in use. It would appear that vis-à-vis meaning, a connotation to the combination was immortality. The Ancients believed that there could be tonics the consumption of which could lead to immortality! When it came to be realized that it takes more than a tonic to G achieve immortality, the Ancients ceased using 'yomei' and used instead the combination 'yo jo' — which combination as a word connotes good health and longevity but which fell somewhat short of immortality. At p 51 of the notes of evidence is part of the cross-examination of Prof Teng:

> Q: What does the combined character 'yomei' mean?
>
> H A: In Japanese, there is no such word. In Chinese, this combination appears in the Shinno and there are some books that has the word 'yomei'. All these books refer to the word 'yomei' as quotations from the Shinno.

She went on to say at p 53, in answer to the question:

> I Then how can you conclude that the word is a dead word?

A: Because the word is only referred to as a quotation from the Shinno and is not used to mean anything except being referred to as appearing in the Shinno.

Q: Where it was used to mean 'to nourish life'?

A: In those days when the Shinno was written, it showed the thought of becoming 'seni' or immortal, and later on with the development of science, people realized it is not possible to attain immortality. By the third century, another word took its place. Yomei became obsolete and the word 'yo jo' came to be commonly used.

Prof Teng was cross-examined expertly by Mr Manjit Singh, but came through 'unscathed' as Mr T Thomas put it in his submission.

Prof Goro Aoki is a Japanese scholar who is a professor at Kyoto Kyoiku University teaching Chinese literature. His scholarship includes the compilation of dictionaries. In preparation for his report for the instant dispute, he had researched whether the combination 'yomei' was used in the Japanese language. As he had been given to understand that the plaintiffs' contention was that the combination had been coined by Sokan Shiozawa in 1602, he testified that he had concentrated on pre-1602 materials. However, he also referred to a study made at the Tokyo Municipal Library of all the available dictionaries — 76 Japanese dictionaries and 40 Chinese-Japanese dictionaries searching for the use of the combination in ancient as well as modern times. Out of these, according to Prof Aoki, only four dictionaries had the combination 'yomei'. In one of these dictionaries, 'yomei' was entered as a proper noun, 'Yomei Jee' the name of a temple. Another of the four dictionaries was the largest Chinese-Japanese dictionary in use, the Dai Kanwa Jiten, in which 'yomei' appears but only as a quotation from the Shinno. In the other two dictionaries, the reference to 'yomei' is from the quotation as used in the Dai Kanwa Jiten. Prof Aoki testified without challenge that in the most voluminous Japanese dictionary there is, the Nihon Kokugo Dai Jiten, 'yomei' does not appear.

It was in the light of these findings that Prof Aoki concluded (and shared Prof Teng's opinion) that the combination 'yang ming' or 'yomei' fell into disuse in China well before the 17th century (Prof Teng's view was that it fell into disuse by the third century) and was not in current use. The combination had never been in use in Japanese as a word. In cross-examination, he was referred to the report of Prof Loo who testified as an expert for the defendant. Prof Loo had pointed out that the combination 'yomei' appeared in a respectable and ancient Chinese Compendium of Materia Medica and that Sokan Shiozawa might have got the word 'yomei' from that publication. Prof Aoki watered that theory down somewhat by testifying that that compendium was published in China between 1590 and 1596 and that it was brought into Japan only in 1607 — there is a relevant record that one Hayashi Razan had presented the book to a local ruler called Tokugawa Iyeyasu. Prof Aoki points out that the reference to 'yomei' in the compendium — which is a classical medical treatise used by practitioners and students of medicine — does not necessarily mean that

A the combination was in day-to-day use. His researches into the Japanese and Japanese-Chinese dictionaries seem to have largely contributed to his finding that the word 'yomei' was not in common use. He was not particularly impressed with the suggestion that medical students might have brought copies of the compendium into China. Even if they had done so, Prof Aoki reasonably argued, it was unlikely that 'a small wine-maker' B in a remote village in the Japanese mountains would have seen the book. Prof Aoki, I think, tried to be as fair as possible when he concluded:

> Therefore, 'Yomeishu' is a newly-coined combination by Sokan. He used the not commonly used 'yomei' and added to it the character meaning 'wine', ie 'shu'.

C

He went on to say:

> The uniqueness is that Sokan, whether he coined the word or found it in (medical) books, used the combination which was not in common use at that time. If he had used 'yojo' and called this wine 'Yojoshu' it would not be original because yojo was being used in those days.

D

I pause to note that the alleged coining of the word took place some 1800 years after the Shinno, ample time for the word to become obsolete and be re-coined!

The plaintiffs also called to aid the legend that the Shiozawa family E had passed on to Tenryukan Inc and which has been nurtured by the first plaintiff, of how Sokan Shiozawa came to obtain the recipe for the wine and of how he named it 'Yomeishu', in support of their claim to intellectual property rights to the combination of three kanji characters and to the romanized word 'Yomeishu'. Reliance was placed on what can be accepted as historical records which includes a history of Minakata Village, a 1774 F poem and another document of 1785 in each of which the word 'Yomeishu' appears used as a proper noun, the name of the medicinal wine that the Shiozawa family had brewed and sold for generations. There is also a 1813 letter from Suzuki Shiozawa to a member of the ruling class referred to therein as the Lord of Bishu, setting out how the wine Yomeishu is made. G There is a 1929 note under the hand of Tenryukan Shiozawa in which the wine is referred to as 'Yomeishu', not as a description but as its name.

Prof Loo Shaw Chang of Singapore argued for the defendant that because each of the three kanji characters that make up the combination 'Yang Ming Jiu' or 'Yomeishu' has a meaning and is each an accepted and H recognized kanji character, even a primary school-leaver would have no problem getting the meaning of the combination to be 'tonic wine'. Prof Loo looked into the etymology of the combination 'yomei' or 'yang ming'. He said in his report that it was 'first found' in a book called the Shen Nong Chinese Herbal Medicum (referred to as 'the Shinno' by the Japanese experts). He does not say that a reference to the combination could be I found elsewhere and concedes that the reference to it in the Compendium of Materia Medica (he says that this is a 1576 AD publication — Prof Aoki

says it was published between 1590 and 1596 AD) is a quotation from the Shinno. As to the opinion of Prof Teng (shared by Prof Aoki and Prof Tan) that the use of the combination had become obsolete, Prof Loo suggested that the taxonomic approach taken by her would not be exhaustive, to illustrate which he pointed out that the compendium was still an important reference book. However, Prof Loo could not get away from the fact that well over 100 dictionaries were studied by experts and the combination is not found in all but four of these dictionaries, and then only as a quotation from the Shinno. He said that it could be found in voluminous encyclopaedia-type dictionaries. It turned out that he was also talking of the references to the word in the three or four dictionaries that Prof Aoki and Prof Teng were talking about, each of which was a reference to the quotation from the Shinno. His criticism of the taxonomic approach has no merit in the face of the fact that Prof Teng and Prof Aoki had applied that approach as comprehensively as they had done. In his testimony in court, Prof Loo conceded that he did not do any research to find out whether the combination 'yang ming jiu' is still being used in the Chinese language. He also did not do any research to find out whether this combination was in common use. It turned out that what Prof Loo relied on was that each of the characters that make up the combination had a meaning; and based on the individual meaning of each character, even a primary school leaver could get to understand the meaning of the combination. But that is not to say that the combination was in use as a word. Prof Loo said he relied on intuition to decide that it was a word of description and was not a proper noun.

In my judgment, Prof Loo's report and evidence did not detract from the effect and the conclusions arrived at by the experts called by the plaintiffs that the combination 'yang ming' or 'yomei' had been in use in the period 200 BC and had eventually ceased to be in use and as such was not included in literature or even in dictionaries except in four out of a 100 or so dictionaries and then only as a quotation from the 200 BC Shinno and that in the event when Sokan Shiozawa decided to call his wine Yomeishu, what in effect he did was to coin or invent a new word, a proper noun.

Apart from the opinion of the experts as to whether the combination 'yomei' or 'yang ming' is merely descriptive of certain medicinal wines, there was evidence that out of some 300 different medicinal and herbal wines imported into Malaysia from China and Japan only the defendant's product was 'described' using the combination 'yang ming'. Mr T Thomas tellingly submitted that if 'yang ming' is commonly used as descriptive of certain medicinal wines (the phrase used by the defendant was 'has reference to a class of wine that had been long consumed and commonly marketed in Malaysia'), the defendant should have been able to produce evidence of such descriptive usage in Malaysia or elsewhere. That none of the wines in that list of 300 medicinal wines (save the defendant' product) is described using the two characters 'yang ming' goes to support the contention of the plaintiffs that two characters are not at all used descriptively in the trade.

A It is my finding on the totality of the evidence that was adduced on the issue of whether 'yang ming' or 'yomei' in the combination 'Yang Ming Jiu' or 'Yomeishu' is merely descriptive that it is overwhelmingly clear that 'Yang Ming' may have been used in a descriptive sense in the period when the Shinno was compiled some 200 years before the beginning of the Christian era but that such usage fell into disuse and 'yang ming' became obsolete perhaps by about the third century, and certainly well before the 17th century, so that its reusage in the 17th century in relation to the Shiozawa wine, in effect, was the coining of a new word, a proper noun, the name of the wine.

The plaintiffs also rely on the principle expressed in the House of Lords case of *Reddaway v Banham* [1896] AC 199 — the *camel hair belting* case — where it was explained and held that although the name used by a trader of his goods in its primary meaning is merely a true description of the goods, he is not entitled to such a usage where another trader had been for years using the same descriptive term for his goods, so much so that the descriptive term had come to mean in the trade that trader's goods and nothing else.

In *Reddaway v Banham*, the plaintiff had for some 14 years made belting and sold it as 'camel hair belting' — a name which, although descriptive of the belting, had come to mean in the trade the plaintiff's belting and nothing else. The defendant began to sell belting made from the yarn of camels' hair and stamped it 'camel hair belting', which although was a true description of his produce was held to be likely to mislead purchasers into the belief that it was the plaintiff's belting. The House held that the plaintiff was entitled to an injunction restraining the defendant from using the words 'camel hair' as descriptive of or in connection with the belting made or sold by the defendant without clearly distinguishing such belting from the plaintiff's belting.

Lord Herschell said at pp 212–213 of the judgment:

> I think this view of the decision of the House of Lords was correct, and that it is at variance with the view taken by the Court of Appeal, that the defendant could not be liable to an action because in using the words 'camel hair' in connection with their belting they were simply telling the truth. I rather demur, however, to the statement of James LJ, that the defendant in *Wotherspoon v Currie* (1872) LR 5 HL 508 was not telling a lie in calling his starch 'Glenfield starch' as I do to the view that the defendant in this case were telling the simple truth when they sold their belting as camel hair belting. I think the fallacy lies in overlooking the fact that a word may acquire in a trade a secondary signification differing from its primary one, and that if it is used to persons in the trade who will understand it, and be known and intended to understand it in its secondary sense, it will none the less be a falsehood that in its primary sense it may be true.

I agree with Mr T Thomas' submission that the fact that out of 121 members of the public that responded to the radio campaign, 110 turned up with the plaintiffs' product and the testimony that was led through some of the 110 that the combination of the three characters and the

sound of it in the Chinese dialects in which the campaign was conducted, including the Mandarin 'Yang Ming Jiu', led them to turn up with the plaintiffs' product conclusively proves that even if 'Yang Ming Jiu' in its primary meaning is descriptive of a class of medicinal wines, it had come to refer in its secondary meaning to the product of the plaintiffs.

In *AG Spalding Bros v AW Gamage Ltd* [1914–15] All ER Rep 147 (HL), Lord Parker pointed out that the basis of a passing-off action being a false representation, it must be proved that the false representation was made. The learned Law Lord went on to explain what sort of proof is called for saying at p 149 of his judgment:

> The basis of a passing-off action being a false representation by the defendant, it must be proved in each case as a fact that the false representation was made. It may, of course, have been made in express words, but cases of express misrepresentation of this sort are rare. The more common case is where the representation is implied in the use or imitation of a mark, trade name, or get-up with which the goods of another are associates in the minds of the public, or of a particular class of the public. In such cases, the point to be decided is whether, having regard to all the circumstances of the case, the use by the defendant in connection with the goods of the mark, name, or get-up in question impliedly represents such goods to be the goods of the plaintiffs, or the goods of the plaintiff of a particular class or quality, or, as it is sometimes put, whether the defendant's use of such mark, name, or get-up is calculated to deceive. It would, however, be impossible to enumerate or classify all the possible ways in which a man may make the false representation relied on.

Lord Parker also pointed out that the question of whether there was misrepresentation is for the judge to decide and 'he must not surrender his own independent judgment to any witness whatever'. He said, commencing at p 152 of the report:

> ... the really pertinent question is whether the advertisements as a whole were calculated to deceive, and it seems to me that they were so calculated.
>
> It was also contended that the question whether the advertisements were calculated to deceive was not one which your Lordships could yourselves determine by considering the purport of the advertisements themselves, having regard to the surrounding circumstances, but was one which your Lordships were bound to determine upon evidence directed to the question itself. I do not take this view of the law. There may, of course, be cases of so doubtful a nature that a judge cannot properly come to a conclusion without evidence directed to the point, but there can be no doubt that in a passing-off action the question whether the matter complained of is calculated to deceive, in other words, whether it amounts to a misrepresentation, is a matter for the judge, who, looking at the documents and evidence before him, comes looking at the documents and evidence before him, comes to his own conclusion, and, to use the words of Lord Macnaghten in *Payton & Co Ltd v Snelling, Lampard & Co Ltd* [1901] AC 308 at p 311, 'must not surrender his own independent judgment to any witness whatever.'

A If, however any evidence is required, your Lordships have in this case the evidence of Mr Ritson, who was actually misled by the advertisement in question into thinking that the balls advertised were the 'Improved Sewn Orbs' mentioned in the appellants' 1912 catalogue.

The court has to form its own independent judgment based on the totality B of the evidence that there had been misrepresentation referred to in some intellectual property cases as 'false representation' which, used in the context, does not necessarily have connotations of criminality.

The confusion resulting from false misrepresentation can be one of many different kinds of confusion, including confusion as a result of the application of different languages and of phonetic sound.

C

As to confusion of languages, the defendant says that it does not call its wine 'Yomeishu' but 'Chinese Yang Ming Jiu' using the Mandarin transliteration of the combination of the three kanji characters.

The Indian case *JC Eno Ltd v Vishnu Chemical Co* AIR 1940 Bombay 3 illustrates confusion arising from languages. The headnote summarizes D the problem:

> The plaintiffs' saline was well known in India and was very commonly asked for as 'fruit salt'. The words 'fruit salt' were well known in the trade to belong exclusively to the plaintiffs' saline, and these words were not merely descriptive of, but were a distinctive mark of plaintiffs' saline. The defendant E had been selling and offering for sale in Bombay and other places in India saline not of the plaintiffs' manufacture under the name 'Falaxar' alleged to be a Marathi equivalent of the plaintiffs' mark 'fruit salt.'

Blackwell J said at p 8 of the report:

> F Applying the principle laid down by their Lordships in this case to the case before me and one may use the word 'fruit' and the word 'salt' in any language in India as he pleases. But what, in my opinion, he is not permitted to do is to use those words as indicative of a class of goods similar to the plaintiffs' goods, the reason being that those words in the English language have become distinctive of their goods, and if those words are used in any other language in India in connexion with a similar class of goods, the use G of the words may be liable to cause deception. After the observations of their Lordships in (1896) 2 Ch 137 to which I have referred, it cannot, in my opinion, be suggested that any one could possibly have sought to register in England in connexion with goods similar to the plaintiffs' goods the words 'fruit salt' in any foreign language.
>
> H I have already pointed out that very many people in India know English as well as different vernacular languages. But even if an Indian does not know English, but knows only some vernacular language, if a trader is permitted to use in that language words which have become associated with the goods of another trader in another language and are distinctive of the goods of that other trader, he is thereby putting it into the power of unscrupulous dealers to mislead and practise a deception upon the individual I knowing only the one language, in that he may thereby be enabled to pass off upon that unsuspecting person goods as and for the goods of the other trader to which those particular words in another language have by long user become attributed.

For the defendant, it was argued that 'Yang Ming Jiu' as used by it had the prefix 'Chinese' and that there was other information in the get-up to show that its product was a wine of Chinese origin and not Japanese. There had been a not dissimilar argument in the *Eno Fruit Salt* case — Blackwell J said, commencing from p 8 of the report:

> It was argued for the defendants that an educated person knowing both Marathi and English would read the whole label on exh E and could never be deceived. He would, it was said, see the words at the bottom 'Manufactured by 'Vicco' — Vishnu Chemical Co, Bombay.' But unfortunately the world is full not of careful but of careless persons, and of people who frequently are not careful to read the whole of everything that they ought to read, and in my opinion looking at the general get-up of exh E, and seeing the word (Falaxar) thereon, even an educated person might be misled into thinking that he was getting the plaintiffs' fruit salt. It is in evidence before me that illiterate persons frequently bring chits to chemists' shops and to the shops of persons who sell such preparations as exhs C and E, and that on such chits the word 'fruit salt' is written. Such chits may be given to them either by their doctor, or by their master. Suppose an illiterate person knowing no English were to bring such a chit to an unscrupulous dealer who was desirous of selling exh E, the dealer might give a bottle of exh E to the illiterate person, who might very easily say, 'Is this fruit salt?' having been told by his master or doctor that what he was to get was fruit salt. He might easily use those words even if he knew no English and did not understand them. It would then be open to the dealer if his would-be purchaser knew Marathi to point to exh E and say, 'Cannot you read the word 'Falaxar'? That means fruit salt.' That is the sort of thing which, in my opinion, might happen over and over again if traders were permitted to do what the defendants have done in this case, viz, use a coined Marathi word which does not in fact exist in Marathi, but which would convey the meaning 'fruit salt.' I hold on the evidence before me that the plaintiffs have acquired a right to the exclusive use of the words 'fruit salt' in connexion with their saline, that those words are a distinctive mark, and that no one has a right to use those words in any language in connection with similar goods as being likely to deceive.

In *Balaji Chettiar v Hindustan Lever Ltd* AIR 1967 MAD 148, Ramamurthi J referred with approval to the leading English decision, the *Golden Fan* case [1896] 13 RPC 288 as well as to the *Eno Fruit Salt* case and one or two other cases (vide the report), all of which held that if a person is the owner of a registered trade mark in a particular language another person cannot claim registration of the same word trade mark in any other language using the equivalent in translation.

It is my judgment both on principle and authority that that view of the matter should obtain in Malaysia. In the instant case, the origin of the name is Japanese and it is a Japanese product. The defendant chose to refer to its product in the pronunciation of the combination of the characters in Mandarin years after the Japanese had first called and promoted their product by calling it by the said combination of the three kanji characters. I agree with Mr T Thomas that what is clearly taking advantage of the

peculiarity of the Japanese and Chinese languages using the same pictograph system of writing makes this for a worse case than happened in *Balaji Chettiar,* where a translation of the English word 'sun' that was associated with the plaintiffs' product into the word 'surian', which is 'sun' in the Tamil language, to sell the defendants' product was not allowed to be continued.

The approach to be taken in respect of misrepresentation by taking advantage of confusion that could arise from phonetic sounds in the context of trade marks and passing-off actions is to be found in the judgment of Luxmoore LJ that was on appeal before the House of Lords in *Aristoc Ld v Rysta Ltd* [1945] 1 All ER 34. Viscount Maugham accepted as a fair statement of the duty cast upon the court in a case of confusion resulting from phonetic sound of words, a passage from Luxmoore LJ's judgment (at pp 38–39):

> 'The answer to the question whether the sound of one word resembles too nearly the sound of another so as to bring the former within the limits of s 12 of the Trade Marks Act 1938, must nearly always depend on first impression, for obviously a person who is familiar with both words will neither be deceived nor confused. It is the person who only knows the one word and has perhaps an imperfect recollection of it who is likely to be deceived or confused. Little assistance, therefore, is to be obtained from a meticulous comparison of the two words, letter by letter and syllable by syllable, pronounced with the clarity to be expected from a teacher of elocution. The court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trade description, but also of the shop assistant ministering to that person's wants.'

And then he adds a little later:

> 'The tendency to slur a word beginning with 'a' is, generally speaking, very common, and the similarity between 'Rysta' and 'Ristoc' would, I think, be fairly obvious. It would not be surprising to learn that a person asking for 'Aristoc' stockings from a shop assistant who only knew of 'Rysta' stockings had been supplied with the latter and vice versa.'

He also said that he thought the assistant comptroller had failed to take into full account the effect of careless and slurred pronunciation, imperfect recollection, and the limitation of the knowledge of the customer and the shop assistant to one only of the marks, that being the one of which the other is ignorant.

In the instant case, in the light of the acceptable explanations given to the court of the peculiarity of the Japanese and Chinese languages, there cannot be any doubt that there could be confusion and that there was in fact confusion was amply demonstrated by the radio campaign. There was also evidence of the attempt to purchase a bottle of 'Chinese Yang Ming Jiu' where the shop assistant obviously regarded 'Chinese Yang Ming Jiu' as a synonym for Yomeishu and gave the purchaser a receipt for 'Yomeishu' although what he had sold was a bottle of the defendant's product.

Looking again at the defence provided by s 40(1)(b) of the Act, 'the use in good faith by a person of a description of the character or quality of his goods ...', and applying Danckwerts J's test in *Baume & Co Ltd v AH Moore Ltd* and what was said by McTiernen J in *FH Faulding & Co Ltd v Imperial Chemical Industries of Australia & New Zealand Ltd*, it is clear that even if 'Yang Ming Jiu' was merely descriptive of the character or quality of the wine sold both by the Japanese and the Chinese, for this defence to succeed the defendant has to prove that there was the bona fide use of what is genuinely descriptive of the goods and used purely for the purposes of description.

Accordingly, even if it is assumed (contrary to my finding) that 'yang ming' is descriptive and cannot be a coined word, the bona fide aspect has to be considered and it is relevant to look at two frequently cited cases.

In *Harrods Ltd v R Harrod Ltd* (1924) 41 RPC 74, the plaintiffs were the owners of the well-known shop, Harrods of Knightsbridge (on Brompton Road in London) which was a business of wide-range and established reputation. One Percy Winocour had the defendant company registered as R Harrod Ltd to commence his money-lending business. The plaintiffs carried on as ancillary to their large commercial business the business of bankers and one feature of its advertisements was to refer to itself as the 'House of Quality'. The defendant company apparently held out its money-lending business to be a form of banking business and after it commenced its business of money lending issued an advertisement 'Make R Harrod Ltd your bankers' and another 'Make R Harrod Ltd your "House of Credit".'

The plaintiffs caused their writ to issue contending that the name taken by the defendant company was calculated to mislead the public into the belief that the business carried on by the money-lending defendant company was part of the business carried on by the plaintiffs. Romer J refused the interlocutory injunction sought but the Court of Appeal allowed the appeal against this refusal.

The Master of the Rolls, Pollock LJ, said that the relevant principle had been laid down in many cases. He cited *Merchant Banking Co of London v Merchants' Joint Stock Bank* (1878) 9 Ch D 560, where Sir George Jessel MR said at p 563:

> What the law did prevent was fraud; and it prevented not only actual fraud, that is, fraud intentionally committed, but it also prevented a man from carrying on business in such a way, whether he knew it or not, as to represent that his business was the business of another man.

Pollock LJ also referred to *Lloyd's & Dawson Bros v Lloyds, Southampton Ltd* (1912) 29 RPC 433 at p 439, where Buckley LJ had said:

> I have not the least doubt that it was a suitable name for their purpose and the purpose was what the learned judge described as an impudent attempt to pretend they are that which they are not.

He went on to say:

> The evidence which has been filed is, I think, amply sufficient to enable the court to say that there is in the use of this name a fraudulent and improper purpose, namely, that these defendant, who are not, shall pose as being Lloyds of Southampton.

Mr Winocour had testified that he had simply picked 'R Harrod' as a name easy to find in the telephone directory and that the advertisements similar to that of the plaintiffs was as a result of a mere brainwave or flash. Pollock MR said:

> Such a suggestion really makes too heavy a demand on credulity, and I cannot suppose for one moment that Mr Winocour did not know of the advertisements of Harrods' 'House of Quality' and did not intend that this company should try by a similar scheme of advertisement to pose as being in some way connected with the plaintiffs in order that it might reap an advantage of a credit and renown attached to the plaintiffs and secure the approach of a number of persons who might think that owing to its pose it was in some way connected with the plaintiffs' company.

In *Dunlop Pneumatic Tyre Co Ltd v Dunlop Lubricant Co* (1898) 16 RPC 12, the plaintiffs were the manufacturers of the famous Dunlop tyres. One Joseph Funt started the defendant company and called it 'The Dunlop Lubricant Co'. He said that the name was chosen because his ertswhile partner in business was named Dunlop. Power J said:

> ... the conclusion I come to is that the defendant himself chose to carry on business under the name of Dunlop Lubricant Co because of the word 'Dunlop' and because the word 'Dunlop' suggested the plaintiffs' company and for no other reason.

I would pause here to note again that the use of the words 'fraud' and 'deceit' by the judges in intellectual property cases, including *Harrods* and *Dunlop*, are not used necessarily in the sense of fraud in criminal proceedings but in the wider sense of misrepresentation.

Mr Low Chee Lik — effectively the principal shareholder and managing director of the defendant company — was, as put by Mr T Thomas, its moving spirit and could be said to be the alter ego of the company. Low conceded that he had heard of the plaintiffs' product in the 1970s. He was asked:

> Q: At what period did you hear of the plaintiffs' Yomeishu?
>
> A: Yes. I heard about it sometime in the 70's. Yomeishu is pronounced in Mandarin as 'Yang Ming Jiu'.
>
> Q: When did you realize it's pronounced 'Yang Ming Jiu'?
>
> A: In the 70's.

Low conceded that before he brought in the Chinese product in 1980, the name 'Chinese Yang Ming Jiu' was not known in Malaysia. It turned out that even in 1988, as has been seen, when the plaintiffs carried out a survey in Malaysia, apart from the defendant's product none of the 300 or so medicinal wines sold in the country was described as 'Yang Ming Jiu'. In fact, lists purported to include all medicinal wines sold in Singapore,

Taiwan and Hongkong which were brought to the attention of the court also did not include any wine called or described as 'Yang Ming Jiu'. Further, there is evidence that leads to the belief that the name given in China to the Chinese product was in fact 'Ling Zhi Chiew' or 'New Lingzhi Chiew'. The documentation in respect of importation of the wine into Singapore refers to the product by its name, 'Ling Zhi Chiew'. There is a leaflet to accompany the packaging of the wine that was prepared by the Chinese manufacturer of the wine which names the wine as 'New Lingzi Chiew'. The leaflet that the defendant included in the packaging of the wine it sold was identical to the Chinese leaflet, save that the name (and not its description) given to the wine is in the romanized form 'Chinese Yang Ming Jiu'. The defendant normally entered into written agreements with the Chinese exporter twice a year, and in many of those agreements the wine is named Lingzhi or New Lingzhi wine. No doubt that in some of the agreements the words Chinese Yang Ming Jiu appear in brackets but the totality of the evidence in respect of this aspect of the case leads to the court finding that the real name of the wine was Lingzhi or New Lingzhi Chiew which the defendant, perhaps in collaboration with the Chinese exporter, chose to market in this region not simply describing the Lingzhi wine as life-nourishing or 'Yang Ming' but by changing its name from Lingzhi to 'Chinese Yang Ming Jiu'. Mr Low was asked to explain why if the wine was in fact called 'Yang Ming Jiu' it was exported into Singapore as 'Lingzhi'. His explanation that it was for ease of export made no sense. It seems to me clear that it was exported as 'Lingzhi' because that was its name. The agreement that the defendant had with the exporter was that it was for the defendant to package and sell the product. It was obviously in doing so that the name of the wine was changed from 'Lingzhi' to 'Chinese Yang Ming Jiu' and the totality of the evidence and the reasonable inferences to be drawn from such evidence suggest to me beyond any doubt that the name change was effected because 'Chinese Yang Ming Jiu' suggested the plaintiffs' product and for no other reason. The one and only reason that the five kanji characters denoting 'Chinese Yang Ming Jiu' and the romanized words 'Chinese Yang Ming Jiu' were used by the defendant in respect of the Chinese wine was to reap an advantage from the reputation the Japanese product had come to enjoy.

In my judgment, there is no doubt at all that even if 'Yang Ming Jiu' is descriptive of the character or quality of the wine, the use of the description was not made in good faith by the defendant and accordingly for that reason also, the s 40(1)(b) defence is not available to the defendant.

One other issue that has to be adjudicated upon is the invocation by the defendant of the doctrine of laches. The denial by the defendant that an understanding had been arrived at in 1981 to the effect that the defendant would cease importing and selling their product as 'Chinese Yang Ming Jiu' in Malaysia has to be looked into.

There are two versions of what had happened. Mr Chiang, testifying for the plaintiffs, says that consequent to the agreement that had been arrived at with the Chinese exporter, CNNP-H that they would cease the export of the Chinese Yang Ming Jiu to Malaysia (the production of the actual written agreement dated 6 October 1983 proves that such an agreement had been arrived at), he had been assured by Mr Low at a meeting he had with him that the defendant would cease selling the Chinese product after it had exhausted the stock in hand. Mr Low, whose evidence was purported to be corroborated by a witness Yap Tiew Kee, admitted that there was such a meeting and that the issue had been raised but insisted that no agreement or understanding as alleged by Mr Chiang was arrived at. Against that is the evidence that the sales of the Chinese product by the defendant were steadily reduced from RM156,600 in 1984 to RM59,400 in 1985 and to RM27,000 for 1986 and to only RM3,600 in 1987. And in 1988, the sales shot up to RM603,000. There is also the evidence that from about the time that Low was said to have assured Chiang that the defendant would cease selling its product, the defendant ceased advertising it until 1988 or thereabouts when advertising of the Chinese product was resumed. It is also to be noted that while the defendant had produced the written agreements that it had entered with their Chinese exporter for 1980, 1982 and for April 1982 and for May 1987 and for each of the years thereafter until 1990, none was produced for the period after April 1982 to April 1987. Low's explanation for these figures is that the defendant was hit by the recession. I have to agree with Mr T Thomas that the court cannot overlook the fact that it is common knowledge that the recession that brought the economies of the 'West' to its knees in the early 1980s did not hit Malaysia until 1984 and 1985. In any event, in the face of the undisputed fact that the plaintiffs had taken the trouble to negotiate and arrive at a settlement with the Chinese exporter, the probabilities are that they would have come to a similar or related or consequential agreement in respect of the sale of the Chinese product in Malaysia and Singapore. It is significant that it is conceded that in fact the defendant's sister company in Singapore had agreed to cease selling the product in Singapore. In my judgment, inter alia, on the evidence including that of the tailing-off of the sales by the defendant of its product and the ceasing to advertise its product until 1988, the probabilities are that Low had given the assurance that Chiang says he gave. The laches point taken by the defendant fails.

Having directed my mind to the main issues in this case and arrived at the conclusions as I did, I do not think that I need to specifically look at the sub-issues that counsel invited me to consider particularly as most, if not all, of them have been in effect disposed of with the main issues.

In my judgment, based on the totality of the evidence, there had been a deliberate choice by the defendant of the name of the plaintiffs' well

known product 'Yomeishu' albeit camouflaged by having it called not 'Yomeishu' but in the Mandarin pronunciation of the combination of the kanji characters. The defendant was guilty of an impudent attempt to pretend that its wine was that which it was not.

The plaintiffs were entitled to the restraining orders they had sought and for an order in damages and for the costs of the action. The defendant's counterclaim had to be dismissed with costs. The relevant consequential orders were made.

Order accordingly.

Reported by Ringo KL Low